

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES METHODS EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT

DATE 2001-2006

EG LA-7155

VIA AIR

DISPATCH NO. EIL-4-7255

**SECRET**

20 JAN 1954

TO : Chief, EE  
FROM : Chief of Base, Pallasch  
SUBJECT: ~~German~~ Operational  
          German- GIB in Spain  
Reference: ERM-397

DATE:  
Info: COM

former: Confidential  
Enhance: Richard Franz

1. The only post war traces available on BERNHARDT are: (a) ZIPPER memo-  
random dated 3 August 1949 (attached hereto); (b) USFET Intelligence Division  
(G-2) memo, dated 10 November 1948 to Commanding Officer, 7821 Composite Group,  
states a former U.S. Army Lt. Colonel R. J. H. Merts, who served with a Quarter-  
master Unit in Munich "contacted the former German Major General BERNHARDT in  
connection with his export-import business". On the advice of representatives  
of the OCMO in Madrid Merts allegedly severed all connections with BERNHARDT;  
(c) in a memorandum from ZIPPER, dated 28 January 1949, ZIPPER reports essen-  
tially the same information contained in attachment, plus the statement that  
BERNHARDT's secretary, a Frau SCHAEFER, was to come to Germany from Madrid to  
"sort out" business opportunities for him. BERNHARDT is said to have transferred  
part of his capital to South America. The memo is concluded by the statement  
that one of ZIPPER's members "knows that BERNHARDT played a big part in the  
Public Safety Service in Madrid".

See A-100

2. The above unimpressive as it is, is all that we have on BERNHARDT.

3. ZIPPER's interest in Spain other than the Base Station activities can  
be described as:

(a) Overall political complexion. Most of this type of information  
obtained by ZIPPER and seen by us appears to be overt and of no particular intel-  
ligence value to EUBARK. On the other hand this sort of information is grist for  
ZIPPER's mill, similar to the more or less overt type information we pass UTILITY  
on the Middle East countries.

(b) Economic and industrial status. ZIPPER has recently taken an  
active interest in the U.S. Spanish base construction program. An example of  
this is one of ZIPPER's Special Connections Fritz MAYFRANK, owner and director  
of several large steel combines, asked ZIPPER to maintain contact to the proper  
American element which could assist MAYFRANK's firms to get into the base construc-  
tion act. For your information one of MAYFRANK's subsidiary firms in Spain fur-  
nished cover for an unidentified ZIPPERite recently. We are attaching a copy of  
MAYFRANK's letter which lists the primary firms involved. In this connection a  
short article recently appeared in the *Deutsche Zeitung* describing the possi-  
bility of sub-letting base construction to German firms. It appears

DIST:  
3 - EE w/2 attach (DIRECT)

3 - COM w/o attach (COM has copy)  
18 Jan. 54  
EIL: 51-28A

**SECRET**  
IN COPY

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Washington release and we are attaching it for your information.

(c) KX-013 operatives in Spain. We have little from ZIRREN in this regard. It appears to be part of their general program to learn and keep tabs on the whereabouts and activities of as many ex-O13, abwehr types as possible.

(d) General interest in armament deals negotiated through Spain where German personalities are involved. We have not heard anything on this from ZIRREN for the last two years.

4. ZIRREN has not informed or cooperated with us as pertains to their interests outlined in para 3 above. As you know they have not sent us copies of "yellow reports" ZIRREN sends to the Spanish since May of 1953 (see comment to BUA-4091). Perhaps we can use the clippings on Middle East which you send us as leverage to extract a little of what goes on with ZIRREN in Spain.

5. When I was at FOB on 15 January 1954 we briefed him on ZIRREN activities in general, in addition to the alternate base station situation. Weiden assured us he would send to FOB information available to his mission on ex-O13 and abwehr operatives presently in Spain.

Approved: 

7-04-53

SECRET

(3)

3 August 1949

FROM : Me

TO : 23

SUBJECT : BERNHARDT (Spain)

1. BERNHARDT is not a member of this organization.

2. BERNHARDT was a commercial employee in North Africa before the Spanish civil war broke out.

During the Spanish civil war he supported FRANCO by considerable supplies of war material. In appreciation of his services he was given certain commercial monopolies by FRANCO.

3. BERNHARDT founded the firm SOPINDUS (Sociedad Financiera e Industrial). With the aid of this firm he carried out the supply of Wolfram from Spain and Portugal to Germany during the war. He made enormous profits with these transactions. His business methods were considered unscrupulous, methods which caused much opposition against him amongst the Spanish business men.

In order to give BERNHARDT an official German status in Spain, he was given the title of SS-Oberfuhrer (corresponding to the rank of major general in the German Wehrmacht).

4. During the war, BERNHARDT was in contact with the German SD office in Madrid. It is not known here which role he played there and if he did any IS work.

5. After the capitulation his firm SOPINDUS was taken over by an Allied Control Commission. BERNHARDT was supposed to be brought back to Germany as the other Germans. The Spanish Government objected to this and succeeded inasmuch as he could remain in Spain because BERNHARDT threatened to compromise FRANCO through his statements should he be expelled.

He then tried business deals in orange between Spain and Germany which apparently failed.

6. At the beginning of October 1948, a former US Lt. Col. MERTZ paid a visit at a higher official of a German ministry, developing plans of a large export-import business between Spain and Germany. During this occasion he brought regards from BERNHARDT in Madrid.

(3)

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7. On 14 July 1949 the following report regarding BERNHARDT came from Spain:

" BERNHARDT, Madrid, Avenida de Valle 3, Tel: 244 997. Johannes BERNHARDT was the only one on whose behalf Generalissimo FRANCO intervened with the Allies. BERNHARDT is not well liked in the German colony as he was not very helpful to the Germans and keeps away from the German colony. No political activities of BERNHARDT could be ascertained and such activities are not very likely due to his exposed position. Until the end of the year 1948, BERNHARDT was occupied with the winding up of the "Montana" and is at present interested in film deals.

" It is known to the Spaniards that BERNHARDT has worked for the German IS. In 1939, shortly before the war, pro-German persons as well as well-known Communists were interned in France in the well-known "Camp de Vernet". There were three departments:

1st Department for persons suspected of pro-German activities,

2nd Department for criminal cases,

3rd Department for persons suspected of activities for the Soviets.

BERNHARDT was in the last department."

3/a

(3)

EL 7/3412